

Message Text

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PAGE 01 STATE 237341

61

ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 INT-08 SCI-06 TRSE-00

SCEM-02 STR-08 CIEP-02 OMB-01 NEA-10 AID-20 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14

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DRAFTED BY ARA/CEN:LAPEZZULLO:PW

APPROVED BY ARA/CEN:LAPEZZULLO, ACTING

EB/ORF/FSE:WWHITMAN

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P 042202Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA PRIORITY

INFO AMEMBASSY SAN JOSE PRIORITY

AMEMBASSY SAN SALVADOR PRIORITY

AMEMBASSY TEGUCIGALPA PRIORITY

AMCONSUL BELIZE PRIORITY

AMEMBASSY MANAGUA PRIORITY

C O N F I D E N T I A L STATE 237341

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: PETROLEUM DEVELOPMENTS

REFERENCE: A) GUATEMALA 5707; B) BELIZE 637 (NOTAL);

C) CARACAS 10307 (NOTAL)

1. DEPARTMENT COMMENDS EMBASSY FOR COMPREHENSIVE REPORT ON
PETROLEUM DEVELOPMENTS IN GUATEMALA AND PROGNOSIS OF GOG
FUTURE ACTIONS (REF A) AND CONGEN FOR ALERT REPORTING
(REF B).

2. IT IS CLEAR THAT PETROLEUM SHORTAGES WILL BE FELT
UNEVENLY THROUGHOUT CENTRAL AMERICA. THOSE COUNTRIES
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PAGE 02 STATE 237341

SUPPLIED BY TEXACO APPEAR TO BE HARDEST HIT BECAUSE

COMPANY IS NOT RECEIVING ARAB CRUDE WHICH IT REFINED FOR CENTRAL AMERICAN CONSUMING COUNTRIES. CUTBACK AT TEXACO'S TRINIDAD AND PANAMA REFINERIES IS ESTIMATED BY COMPANY AT 20 AND 15 PERCENT, RESPECTIVELY. THE OTHER OIL COMPANIES OPERATING IN CENTRAL AMERICA APPEAR TO BE SUPPLYING CA CUSTOMERS PRIMARILY FROM WESTERN HEMISPHERIC SOURCES WITH LITTLE OR NO ARAB INPUT. UNDOUBTEDLY, ALL CA COUNTRIES ARE AWARE THAT SHORTFALLS AGAINST TOTAL DEMAND WILL AFFECT SOME MORE THAN OTHERS, DEPENDING ON WHO THEIR SUPPLIERS ARE AND EXTENT TO WHICH THOSE SUPPLIERS ARE AFFECTED BY ARAB EMBARGO. DIFFERING IMPACT ON CA COUNTRIES COULD LEAD TO THE SUSPICION THAT U.S. OIL COMPANIES ARE DISCRIMINATING AGAINST SOME CUSTOMERS, FOR ONE REASON OR ANOTHER. THE DEPARTMENT HAS BEEN ASSURED BY TEXACO THAT THIS IS NOT THE CASE AND THAT ALL CONSUMING COUNTRIES WILL BE TREATED EQUALLY.

3. WE BELIEVE IT IS IN THE BEST INTEREST OF ALL CONCERNED THAT SUPPLY AND PRICE PROBLEMS BE RESOLVED DIRECTLY BETWEEN SUPPLIERS AND CONSUMERS. BUT WE MUST BE ALERT TO POTENTIAL PROBLEMS BEFORE THEY REACH THE CRISIS STAGE. WE URGE ALL EMBASSIES TO CONTINUE TO REPORT FULLY ON DEVELOPMENTS IN THEIR COUNTRIES AND TO URGE U.S. OIL COMPANIES AND HOST COUNTRY OFFICIALS TO WORK TOGETHER IN A COOPERATIVE MANNER DURING WHAT PROMISES TO BE DIFFICULT WEEKS AND MONTHS AHEAD. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SUPPLIES, GASOLINE, FUEL OIL, PETROLEUM INDUSTRY, EMERGENCY PLANNING
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE237341
Document Source: CORE
Document Unique ID: 00
Drafter: LAPEZZULLO:PW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731245/aaaabhik.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) GUATEMALA 5707; B) BELIZE 637 (NO, TAL);
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 23 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jan-2002 by martinml>; APPROVED <08 MAR 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM DEVELOPMENTS
TAGS: ENRG, GT
To: GUATEMALA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005